

JOINT CITY COUNCIL OVERSIGHT AND FINANCE COMMITTEE MINUTES

November 4, 2009

The City Council Oversight Committee and Finance Committee of the City of Norman, Cleveland County, State of Oklahoma, met at 5:30 p.m. in the City Council Conference Room on the 4th day of November, 2009, and notice and agenda of the meeting were posted in the Municipal Building at 201 West Gray 48 hours prior to the beginning of the meeting.

PRESENT: Councilmembers Atkins, Cubberley, Griffith, Kovach, Quinn and Chairman Dillingham

ABSENT: None

OTHER STAFF PRESENT: Mayor Cindy Rosenthal
Mr. Jud Foster, Director of Parks and Recreation
Mr. Anthony Francisco, Finance Director
Ms. Rebecca Frazier, Assistant City Attorney
Ms. Suzanne Krohmer, Budget Manager
Mr. Steve Lewis, City Manager
Ms. Kathryn Walker, Assistant City Attorney
Ms. Syndi Runyon, Administrative Assistant IV

DISCUSSION REGARDING CONTINUATION OF SELECTION PROCESS CRITERIA FOR NON-PROFIT AGENCIES WHO RECEIVE FUNDING FROM THE CITY OF NORMAN.

The Committee reviewed a draft of a Finance Committee Request for Funding Application prepared by the Legal Department to assist in the selection process of non-profit agencies seeking funding. Chairman Dillingham did not want to open funding requests through the Finance Committee to all public agencies and/or committees and did not want requests made directly to City Council either. She felt the agencies that apply through the Finance Committee provide unique, needed services. She asked that this item be tabled until she and Councilmember Cubberley could craft language for criteria within the next two months and Councilmembers agreed. Councilmember Kovach said if the City opened the process to more agencies, there will be smaller amounts to distribute, which could critically harm currently funded agencies. He said he also did not want it perceived that Council is criticizing the Finance Committee. Chairman Dillingham said economic times are tough and more agencies are looking for additional funding opportunities and felt the City needed to fund exceptional projects for exceptional reasons. Councilmember Quinn said the Finance Committee had questioned, in the past, whether or not an agency should receive funding and felt it was time for formal guidelines to help with the process. Councilmember Cubberley said he was concerned that current funding may be decreased because of budget constraints. He agreed that guidelines need to be more formalized, but he did not want it to be too onerous.

Items submitted for the record

1. Memorandum dated October 23, 2009, from Rebecca R. Frazier, Assistant City Attorney, through Jeff Harley Bryant, City Attorney, to City Council Oversight Committee; Councilmember Dillingham, Chair; Councilmember Kovach, Committee Member; Councilmember Griffith, Committee Member; Councilmember Atkins, Committee Member; Councilmember Cubberley, Participant; and Mayor Rosenthal, Participant
2. Draft City of Norman Finance Committee Requests Application for Funding including draft public notice
3. Social and Voluntary Services Commission Funding Request and City of Norman Community Development Block Grant Application for Funding,
4. Council Oversight Committee minutes of November 4, 2009
5. FYE 10 Budgeted Outside Agency Requests

DISCUSSION REGARDING PROPOSED CHARTER AMENDMENTS.

The purpose of the joint Oversight/Finance Committee meeting is to discuss the educational process of the proposed Charter amendments so that citizens will fully understand their importance prior to an election. Councilmember Dillingham said Article II, Section 2, Term of Office seems to be non-controversial and would benefit Council. She felt Article III, Section 2. Park Land, would need some explanation as to why the change is needed. Councilmember Kovach said the explanation should be that there is money locked into a fund and due to current Charter language, the money must be spent for park land in the subdivision the development fee was collected and Council would like to change that language to allow these monies to be used for development or equipment at the nearest, suitable park site. Councilmember Griffith asked if the money in question was frozen because park land was not available in the subdivision the funds were collected for and could not be used for any other purpose and Mr. Jud Foster, Director of Parks and Recreation, said that is correct. He said the money in question has been accruing interest, which now totals approximately \$600,000. Mr. Foster said that the Charter was amended in 1994, to allow future park land funds to be used to purchase land or equipment for the nearest park available, but monies collected from 1976 through 1994 can only be used for park land in the subdivision it was collected and if there is no land to buy, the money is basically frozen. Councilmember Kovach asked if the money was collected in a specific region of Norman and Mr. Foster said the money was actually collected for subdivisions throughout Norman. He said the money would have to be spent in the nearest park if park land were not available. Councilmember Kovach suggested talking with developers to make sure they would not have a problem with the language change and Councilmembers agreed. Mr. Foster said he spoke with some developers in favor of the change because they have to pay the money and would like to see it used if no park land is available. Councilmember Atkins asked if the change would allow developers the option to pay or not pay park fees if land is not available and Councilmembers and Staff assured him the language change addresses a specific portion of funds collected prior to 1994, and park land fees would continue to be required for all subdivisions.

Councilmembers addressed Article IX, Sections 2, 3, 4, and 5 related to Norman Municipal Hospital and Councilmember Kovach said the amendment addressed language clean up for Norman Regional Health Systems and the timing of when the financial budget report would be submitted to the Council. He said the other recommendations were made by the Citizens Charter Committee over two years ago, which were not endorsed by the Oversight Committee. Section 3, Duties of the Administrator, is being stricken. Councilmember Cubberley said the hospital is a separate entity from the City and this is basically a clean up item to ensure the Charter is consistent with the trust indenture. Chairman Dillingham felt this presents a good opportunity to educate citizens on what a public trust is, how it works, and its limits as to Council's authority.

The last item discussed was Article XVI, Municipal Owned Utilities, Section 2, Repeal. Councilmember Cubberley said if the City is going to move forward with the Sardis Lake Water Trust and a fresh water solution for the City, then the request to repeal Section 2 must go forward. He said if the voters agree to repeal the section, the City will have the opportunity to join in the trust, but if they deny the repeal, the door to the trust will close and Council needs to know the citizens opinion. He said the public must be educated about the trust and future water issues. Councilmember Kovach agreed and said citizens need to understand that the City will be faced with future utility rate increases even if we do not participate in the trust.

Chairman Dillingham asked Mr. Lewis about a deadline for entering into the trust agreement and he said there is no firm date, but there is an opt out provision in the trust agreement. Ms. Walker said the City can opt out if water rights for Sardis are not successfully obtained within one year. Councilmembers discussed the probable timeline to place the question of repeal on the ballot and the challenges related thereto. As previously stated, removal of this Charter provision will determine whether or not Norman will be able to

participate in the regional water trust and Council will most likely need to make a decision sometime next spring before additional monies are expended for further study. Additionally, both the water and sanitation utilities will require a rate increase for the FYE 2011 Budget if the provision is not removed, which would require another election in August. Having said that, Councilmember Kovach preferred a March election and Councilmember Cubberley expressed concern about delaying too long due to budgetary impacts next fiscal year; however, others felt more time is needed to properly educate the citizens prior to the vote due to the complexity of the issues. After a considerable amount of discussion it was determined to schedule the election on May 11, 2010.

Chairman Dillingham asked if it would be possible to have a Charter amendment to raise rates incrementally and still participate in the trust and Ms. Walker and Mr. Francisco felt it would have to be all or nothing. Mr. Francisco said the City would have to have an adequate rate structure to support their participation. Ms. Walker said the penalty for not being able to make payment to the trust is being kicked out of the trust. Councilmember Cubberley asked if Oklahoma City (OKC) has stated they intend to purchase any City's interest in the trust who does not participate and Ms. Walker said it has not been said implicitly but it has been implied. She said OKC has been working as a team with other cities but has said if a city cannot participate, OKC will sell them water. Mayor Rosenthal felt the City did not have enough information about the trust to be able to present an informed set of options to citizens at this time. Councilmember Kovach asked if information could be released to the public in stages and as more information becomes available, it could be presented at that time. Mayor Rosenthal said a better presentation to voters would be that water will cost them a lot more in the future. Chairman Dillingham agreed and said citizens need to decide whether or not Norman retains control over the costs. She said the Council needs to be thorough and clear and give the voters absolute truth. Councilmember Kovach felt showing citizens Council is continuing to look at all options would go a long way in garnering public trust. Mayor Rosenthal said it will be important for voters to understand that if the repeal is denied, Council will be coming back to them for rate increases in the near future. Chairman Dillingham said voters also need to understand the ramifications if the repeal and/or rate increases are denied and Councilmember Cubberley said staff also needs to be prepared to answer questions about the ramifications of repealing the as well. Councilmember Kovach suggested providing a comparative chart on other communities that do not have long range water plans or water access.

Councilmembers agreed that education needs to begin immediately and discussed the various ways this can be done such as placing information on the website and Channel 20 as well as holding several public forums or sermon series including presentations from the Oklahoma Water Resources Board (OWRB) and other entities.

Items submitted for the record

1. Council Oversight Committee Charter Amendments dated November 4, 2009

MISCELLANEOUS DISCUSSION.

None

The meeting adjourned at 6:35 p.m.

ATTEST:

City Clerk

Mayor